



# FTC, Law Enforcement Partners Announce New Crackdown on Illegal Robocalls

June 25, 2019

**U.S., state, and local enforcement stops companies responsible for over one billion calls**



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The Federal Trade Commission and its law enforcement partners today announced a major crackdown on illegal robocalls, including 94 actions targeting operations around the country that are responsible for more than one billion calls pitching a variety of products and services including credit card interest rate reduction services, money-making opportunities, and medical alert systems.

The joint crackdown, “Operation Call it Quits,” is part of the Commission’s ongoing effort to help stem the tide of universally loathed pre-recorded telemarketing calls. It also includes new information to help educate consumers about illegal robocalls. In addition, the FTC continues to promote the development of technology-based solutions to block robocalls and combat caller ID spoofing.

“Operation Call it Quits” includes four new cases and three new settlements from the FTC alone. The U.S. Department of Justice (DOJ) filed two of the new cases on the FTC’s behalf. Collectively, the defendants in these cases were responsible for making more than a billion illegal robocalls to consumers nationwide. Today’s announcement brings the number of cases the FTC has brought against illegal robocallers and Do Not Call (DNC) violators to 145.

“We’re all fed up with the tens of billions of illegal robocalls we get every year,” said Andrew Smith, Director of the FTC’s Bureau of Consumer Protection. “Today’s joint effort shows that combatting this scourge remains a top priority for law enforcement agencies around the nation.”



In addition to the actions by the FTC, **25 federal, state, and local agencies** have brought **87 enforcement actions as part of the initiative**. State partners announcing enforcement actions today include the Attorneys General Offices for Alabama, Arizona, Colorado, Florida, Illinois, Indiana, Michigan, Missouri, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Texas, and Virginia; the Consumer Protection Divisions of the District Attorneys for the Counties of Los Angeles, San Diego, Riverside, and Santa Clara, California; the Florida Department of Agriculture and Consumer Services; and the Los Angeles City Attorney. In addition, the United States Attorneys' Offices for the Northern District of Georgia, Middle District of Florida, and Southern District of Texas, with support from the Treasury Inspector General for Tax Administration, have contributed five criminal actions.



“Every year, our office gets more consumer complaints about unwanted robocalls than just about any other issue,” said Indiana Attorney General Curtis Hill. “At best, these calls represent a nuisance for families just wanting to enjoy peace and privacy without needless disturbances interrupting their routines. At worst, they represent scams that successfully steal people’s identities or hard-earned money. In Indiana, we are quite serious about stopping illegal robocalls, and our alliances with such partners as the FTC will prove a valuable asset in this mission.”

Each FTC case is described below:

### **First Choice Horizon LLC**

According to the FTC’s complaint against six corporate and three individual defendants jointly doing business as Second Choice Horizon and CSG Solutions, Raymond Gonzalez, Carlos S. Guerrero, and Joshua Hernandez ran a maze of interrelated operations that used illegal robocalls to contact financially distressed consumers with offers of bogus credit card interest rate reduction services. The FTC contends many of the consumers targeted were seniors. According to the complaint, the defendants deceptively told consumers that, for a fee, the defendants could lower their credit card interest rates to zero for the life of the debt, thereby saving the consumers thousands of dollars on their credit card debt.

The complaint alleges that the defendants robocalled consumers, including many whose phone numbers were on the DNC Registry. Under the guise of confirming consumers’ identities, the defendants tricked them into providing their personal financial information, including their Social Security and credit card numbers.

The FTC also alleges the defendants did not disclose to consumers that they would have to pay substantial additional bank or transaction fees. Finally, the FTC alleges that in many instances, consumers who did not buy the services later found out that the defendants had applied for one or more credit cards without their knowledge or consent.

The case was filed in the U.S. District Court for the Middle District of Florida, Orlando Division, on June 3, 2019. On June 4, 2019, the court granted the FTC’s request for a temporary restraining order against the defendants, including an asset freeze and the appointment of a receiver. The FTC acknowledges the assistance of the Better Business Bureau Serving Central Florida and the Florida Department of Agriculture and Consumer Services.

### **8 Figure Dream Lifestyle**

According to the FTC’s complaint against five corporate and four individual defendants, since at least 2017 the defendants have used a combination of illegal telemarketing robocalls, live telephone calls, text messaging, internet ads, emails, social media, and live events to market and sell consumers fraudulent money-making opportunities. The defendants operated under the names 8 Figure Dream Lifestyle and Online Entrepreneur Academy.

Throughout their marketing, according to the FTC, the defendants consistently made false or unsubstantiated claims about how much consumers can earn through their programs, often claiming that a typical consumer with no prior skills

can make \$5,000 to \$10,000 in 10 to 14 days and \$10,000 or more within 60 to 90 days of buying the program. In reality, the complaint states, consumers who bought the 8 Figure Dream Lifestyle program for between \$2,395 and \$22,495 rarely earned substantial income, typically lost their entire investment, and often incurred significant loans and credit card debt.

The complaint further states that in marketing the Online Entrepreneur Academy—a spin-off of 8 Figure Dream Lifestyle—defendants Alex Dee, Brian M. Kaplan, and Jerrold S. Maurer deceptively promoted the program in the same way and claimed without substantiation that consumers who joined would make tens of thousands of dollars in 60 to 90 days.

The Commission's complaint charges the defendants, who operate from California, Colorado, New York, and Tennessee, with violating the FTC Act, the Telemarketing Sales Rule (TSR), or both, by making deceptive earnings claims through robocalls and other marketing techniques.

The case was filed in U.S. District Court for the Central District of California on June 12, 2019. On June 13, 2019, the court granted the FTC's request for a temporary restraining order against the defendants, including an asset freeze. The full list of defendants is included in the FTC's complaint.

### **Derek Jason Bartoli**

According to the [FTC's complaint against Derek Jason Bartoli](#), the Florida-based defendant has been an active participant in the illegal telemarketing industry for several years, serving as the "dialer," "information technology (IT) guy," and at times the seller for various telemarketing companies, including companies that the FTC and other law enforcement agencies have sued. He provided services in his own name and in the names of Phoenix Innovative Solutions LLC, Marketing Consultation Solutions LLC, and KimRain Marketing LLC.

The FTC alleges that Bartoli is the developer, operator, and provider of a computer-based telephone dialing platform, also known as an autodialer. He used the autodialer to blast out millions of illegal robocalls and calls to phone numbers listed on the DNC Registry. In the last six months of 2017 alone, the complaint alleges that Bartoli sent more than 57 million calls to registered phone numbers. In addition, the complaint alleges that he initiated millions of calls using fake or "spoofed" caller ID information.

The [proposed court order settling the FTC's charges permanently bans Bartoli](#) from calling phone numbers listed on the DNC Registry, from sending robocalls, and from using deceptive caller ID practices, such as "spoofing."

The order also prohibits Bartoli from a range of deceptive and abusive telemarketing practices, including interfering with a person's right to be placed on a do not call registry, calling consumers who have previously said they do not want to be called, violating the FTC's TSR, and failing to pay for access to DNC Registry information. Finally, the order imposes a \$2.1 million civil penalty against Bartoli, which will be suspended due to his inability to pay.

The DOJ filed the complaint and order on the FTC's behalf in the U.S. District Court for the Middle District of Florida. The defendants in this case include Derek Jason Bartoli, individually and doing business as Phoenix Innovative Solutions LLC, Marketing Consultation Solutions LLC, and KimRain Marketing LLC. The FTC acknowledges the assistance of USTelecom and the Florida Department of Agriculture and Consumer Services.

### **Media Mix 365, LLC**

According to the [FTC's complaint against Media Mix 365](#), also doing business as Solar Research Group and Solar Nation, and its owners Nicholas J. Long and Nicole J. Long, a/k/a Nicole Leonard and Nicole Leonard-Long, the defendants made illegal calls to develop leads for home solar energy companies.

The FTC alleges that since at least 2015, Media Mix has called millions of phone numbers on the DNC Registry and has repeatedly or continuously called consumers with the intent of annoying, abusing, or harassing them. The defendants allegedly called one number more than 1,000 times in a single year. The FTC alleges the California-based defendants were named in at least three other lawsuits, including two class action cases charging them with DNC Registry violations.

The proposed court order settling the FTC's charges permanently bans Nicholas and Nicole Long from calling phone numbers listed on the DNC Registry and from robocalling. It also prohibits Media Mix 365 from calling phone numbers listed on the DNC Registry unless it has the express, written agreement of the recipient to receive such calls or has an established business relationship with the recipient.

The order bars Media Mix from robocalling unless the recipient has provided an express written agreement to be robocalled. The order further prohibits the defendants from repeatedly or continuously calling with the intent to annoy, abuse, or harass the call recipients and from violating any provisions of the TSR. Finally, the order imposes a \$7.6 million civil penalty, which will be suspended upon payment of \$264,000.

The DOJ filed the complaint and order on the FTC's behalf in the U.S. District Court for the Central District of California. The FTC acknowledges the assistance of the Texas Attorney General's Office.

### **Other FTC Actions**

In addition to the new cases announced today, the Commission has also settled several cases brought previously. Each complaint and proposed settlement order is described below:

#### **Lifewatch, Inc.**

According to the FTC's July 2015 complaint, filed jointly with the Florida Attorney General's Office, since 2012 the defendants bombarded primarily elderly consumers with at least a billion unsolicited robocalls to pitch supposedly "free" medical alert systems. The defendants often called consumers whose numbers were on the DNC Registry and typically "spoofed" caller ID information.

The defendants used pre-recorded messages, including one supposedly from "John from the shipping department," which were meant to sound like a live person that falsely told consumers that a medical alert system had been purchased for them, and they could receive it "at no cost whatsoever." The complaint alleges that the pre-recorded messages frequently falsely claimed that their medical alert system had been endorsed or recommended by reputable organizations like the American Heart Association, American Diabetes Association, National Institute on Aging, or the AARP.

Consumers who eventually spoke with a live operator allegedly were told that even though the system cost over \$400, they would get it for free. However, the complaint alleges the telemarketers refused to answer questions about who bought the system for them. The telemarketers also allegedly told consumers they would not be charged any monitoring fee until they received and "activated" the system, even though the consumers' credit or debit cards were charged immediately. According to the complaint, the telemarketers also often falsely reassured consumers that they could cancel their service at any time without any further financial obligation.

The court order announced today contains provisions related to two sets of defendants: 1) the Lifewatch defendants, which includes Lifewatch, Inc., Evan Sirlin, and Mitchel May; and 2) the Roman defendants, which includes Safe Home Security, MedGuard Alert, Inc., and David Roman. The order permanently bans the Lifewatch defendants from telemarketing and prohibits them from misrepresenting the terms associated with the sale of any product or service. It also imposes a financial judgment of \$25.3 million against Lifewatch and Sirlin.

The order permanently bans the Roman defendants from robocalling, calling consumers whose phone numbers are on the DNC Registry, and calling anyone who is on an entity-specific do not call list. It also bans the Roman defendants from "spoofing" caller ID information and prohibits them from abusive telemarketing practices, including failing to identify themselves to consumers they call, violating the TSR, and misrepresenting the terms associated with the sale of any product or service. Finally, it imposes financial judgments of \$8.9 million against the Roman defendants. The financial judgments will be partially suspended after the Lifewatch and Roman defendants pay \$2 million.

The order also requires that the defendants notify all current customers about the false claims and illegal robocalls made on their behalf, and give those customers the opportunity to cancel their service.

The FTC filed the order in the U.S. District Court for the Northern District of Illinois, Eastern Division. The FTC thanks its co-plaintiff, the Florida Attorney General's Office, and acknowledges the assistance of the Indiana Attorney General's Office, the Florida Department of Agriculture and Consumer Services, the Better Business Bureau of Eastern Missouri, the American Heart Association, the American Diabetes Association, the National Institute on Aging, and AARP.

### **Redwood Scientific**

The [FTC's October 2018 complaint against Redwood Scientific](#) charged the defendants with a scheme that used illegal robocalls to deceptively market dissolvable oral film strips as effective smoking cessation, weight-loss, and sexual-performance aids. The FTC's complaint alleges that in addition to making misleading claims about the strips, the company enrolled customers in auto-ship continuity plans without their consent, and did not honor the advertised money-back guarantees.

The court-approved [settlement announced today resolves the FTC's charges against one defendant in the case, Danielle Cadiz](#). The order permanently bans Cadiz from all robocall activities, including ringless voicemails. The order prohibits her from making a wide range of misleading or deceptive health-related claims. It also prohibits deceptive claims related to third-party endorsements and testimonials, and the U.S. origin of a product. The order requires Cadiz to get consumers' express consent before enrolling them in auto-ship continuity plans and to enable consumers to easily cancel their enrollment.

The order imposes a judgment of \$18.2 million against Cadiz, which will be suspended based on her inability to pay. The order was entered by the U.S. District Court for the Central District of California. Litigation continues against the remaining defendants.

### **Life Management Services**

According to the [FTC's June 2016 complaint](#), brought jointly with the Florida Attorney General's Office, the Life Management defendants bombarded consumers with illegal robocalls in attempts to sell them bogus credit card interest rate reduction services. According to the complaint, the defendants guaranteed that they could substantially and permanently lower consumers' credit card interest rates and save them thousands of dollars in interest payments. Consumers allegedly made up-front payments but rarely, if ever, got the promised services. The complaint also alleges that the defendants used illegal robocalls to pitch a bogus credit card debt elimination service.

The [court order announced today permanently bans 17 Life Management defendants](#) from engaging in telemarketing and debt relief services. It also imposes a judgment of \$23.1 million against them, jointly and severally, which will be suspended after they turn over virtually all their assets. The order also resolves the Commission's claims against two relief defendants who were not directly involved in the scheme, but benefitted from it financially. It settles the FTC's charges against all remaining defendants in this matter. The [FTC won summary judgment and obtained a permanent injunction and monetary relief](#) against scheme leader Kevin Guice in December 2018.

The FTC filed the orders in the U.S. District Court for the Middle District of Florida, Orlando Division. The FTC thanks its co-plaintiff, the Florida Attorney General's Office, and acknowledges the assistance of the Florida Department of Agriculture and Consumer Services.

The Commission votes approving all the aforementioned law enforcement actions were 5-0, except for the proposed final orders in the Life Management Services case, which was 2-0.

### **Information for Consumers**

The FTC's one-stop shop for consumers looking for information on what to do about robocalls and other unwanted calls can be found at [ftc.gov/calls](https://www.ftc.gov/calls). In addition to updated articles and infographics, consumers will find three new short videos about stopping unwanted calls. Consumers looking for [additional information on ways to limit illegal robocalls can click here](#).

## What to do about robocalls:

- Hang up.
- Ask your carrier about call blocking.
- Report calls to the FTC.

Learn more at [ftc.gov/calls](https://ftc.gov/calls)



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The FTC would like to thank its partners for providing consumer education outreach and support for “Operation Call it Quits,” including the Attorneys General Offices for Alabama, Arizona, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Idaho, Illinois, Iowa, Kentucky, Louisiana, Michigan, Mississippi, Nevada, New Hampshire, New Jersey, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, West Virginia, and Wyoming; the Alaska Department of Law; the Consumer Protection Division of the District Attorney for the County of Los Angeles, California; the Florida Department of Agriculture and Consumer Services; the Los Angeles City Attorney; the New York Department of State’s Division of Consumer Protection; and the Utah Department of Commerce’s Division of Consumer Protection.

**NOTE:** The Commission files a complaint when it has “reason to believe” that the named defendants are violating or are about to violate the law and it appears to the Commission that a proceeding is in the public interest. The case will be decided by the court. Stipulated final orders have the force of law when approved and signed by the district court judge.

The Commission refers a complaint for civil penalties to the DOJ for filing when it has “reason to believe” that the named defendants are violating or are about to violate the law and that a proceeding is in the public interest. Consent judgments have the force of law when approved and signed by the district court judge.

The Federal Trade Commission works to promote competition, and [protect and educate consumers](#). You can [learn more about consumer topics](#) and file a [consumer complaint online](#) or by calling 1-877-FTC-HELP (382-4357). Like the FTC on [Facebook](#), follow us on [Twitter](#), read our [blogs](#), and [subscribe to press releases](#) for the latest FTC news and resources.

### PRESS RELEASE REFERENCE:

[Scammers Who Used Robocalls to Target Cash-Strapped Consumers Banned from Selling Debt Relief Services and Telemarketing](#)

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